Skyworld Development Sdn Bhd & Anor v Skyworld Holdings Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-22IP-30–05 OF 2018
LIM CHONG FONG J
31 JANUARY 2019

Trade Marks — Infringement of — Trademark and passing off — Whether there had been likelihood of deception or confusion — Passing off — Whether plaintiffs established sufficient reputation or goodwill that was known to public — Misrepresentation — Whether there was unlawful interference with trade

This was a trademark infringement, passing off and unlawful interference with trade action by the plaintiffs against the defendants. In this regard, it was the plaintiffs' case that the defendants had been using 'Skyworld' and 'Sky World' in their corporate names as well as for the Sky World City project which was presently in the midst of development. Consequently, the plaintiffs claimed for trademark infringement pursuant to s 38 of the Trade Marks Act 1976 ('the TMA') premised on the fact that the defendants' corporate name as well as project name of its 'Sky World City' project so nearly resemble the plaintiffs' registered trademark as were likely to deceive or cause confusion to the public. The plaintiffs further claimed for passing off by the defendants in that the plaintiffs had been using the trade name since 2014 and had acquired substantial goodwill and reputation. However, the defendants had used infringing names to misrepresent their Sky World City project which would give rise to the likelihood of confusion to the public since they were also involved in the same business of property development as the plaintiffs. The plaintiffs also claimed against the defendants for unlawful interference with the plaintiffs' trade because of their unlawful acts with the intention to injure the plaintiffs because the defendants already knew or ought to have known of the trade name and the plaintiffs' registered trademarks. In other words, the plaintiffs were contending that the offending or infringing marks were the defendants' corporate name and domain name. The plaintiffs' case was essentially that the defendants' corporate names and website domain name were infringing in that they were so nearly resemble the plaintiffs' registered trademarks as were likely to deceive or cause confusion in the course of the defendants' carrying out their business of developing the Sky World City project. On the other hand, it was the defendants' case that this was plain and obvious that the defendants' 'S' trademark was distinctly different from the plaintiffs' registered trademarks and trade name. In this respect, the defendants submitted that there was no misrepresentation resulting in likelihood of confusion. The defendants' corporate name and website domain name would

not cause mistake, deception or confusion when holistically compared with the plaintiff's registered trademarks which were composite marks which consisted of more than two different elements, to wit: one a stylish verbal mark and the other a combined mark respectively. That notwithstanding, the defendants emphasized that it was the plaintiffs' registered trademarks and not merely the trade name that were used in their promotional and marketing materials for the development projects. The defendants further submitted that the plaintiffs and the defendants operated in different targeted markets and different consumers which negative the likelihood of confusion or deception. According to the defendants, they operated principally in the tourism industry in Sabah whereas the plaintiff was a Klang Valley property developer of residential housing for sale to the public. The defendants also submitted that the first to the fourth defendants were incorporated registered with the Companies Commission Malaysia ('CCM') without any objection. The names were used in good faith because the defendants had no knowledge of the plaintiffs' companies or of their property development projects. Hence, the plaintiffs could not claim monopoly over the trade name and the defendants. The defendants in the circumstances contended that the action must accordingly fail; be it for trademark infringement, passing off or unlawful interference with trade.

Held, dismissing the plaintiffs' claims with costs of RM50,000 as agreed costs:

(1) The plaintiffs' registered trademarks had been registered in the first plaintiff's name only and there was no evidence adduced that there was joint or concurrent ownership of the marks with the second plaintiff. Hence, the second plaintiff did not have the standing to pursue the cause of action of trademark infringement herein. It was only the first plaintiff who could do so (see para 29).

(2) The plaintiff's registered trademarks were composite marks and they were not registered as word marks contrary to that as claimed by SP2 (see paras 31–32).

(3) Infringing marks were visually different because the defendant's corporate name in their business documents as well as their website domain name used the word 'skyworld' either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiff's registered trademarks. The plaintiff's registered trademarks were not registered as word marks which might had otherwise conferred monopoly on them on the word 'skyworld'. In this case, the court was not satisfied that the word 'skyworld' phonetically per se was the essential or striking feature of the plaintiffs marks (see paras 33 & 36).

(4) It is also necessary to consider the business activity of the parties in determining whether the average discerning consumer could be misled by associating one with the other. The first plaintiff was basically involved in the business of real estate property development. The plaintiff's

registered trademarks were also hence registered in Class 37 accordingly. The defendants on the other hand were involved in the business of tourism and was embarking on its maiden Sky World City project in Karambunai, Sabah, East Malaysia. The Sky World City project was a tourism theme park project. Notwithstanding that there were residential accommodation buildings planned to be built in the Sky World City project, they were probably hotels to accommodate the tourists but not buildings for sale to the public. Hence, the fifth defendant applied to MyIPO for the registration of the defendants' 'S' trademark in various classes but not in Class 37. It could therefore be concluded that the prospective customers of the plaintiffs and defendants amongst the public at large were not likely to be deceived or confused by reason of the stark difference in the business of the respective parties (see para 37).

(5) Based on the above circumstances, the court found that the defendant's corporate name and domain name as used in connection with the Sky World City project were unlikely to deceive and cause confusion in the course of trade in which the plaintiffs' registered trademarks were registered. Consequently, the plaintiffs particularly the first plaintiff who was the only plaintiff that had legal standing to sustain the cause of action of trademark infringement had not proved that the defendants had infringed the plaintiffs' registered trademarks pursuant to s 38 of the TMA (see paras 38–39).

(6) From both the oral and documentary evidence adduced by the parties, I find that the court found that the first plaintiff had used the trade name and the plaintiffs' registered trademarks in their development projects in the Klang Valley. Further, the court was satisfied that the first plaintiff expended time, efforts and money amounting to several million Ringgit to promote its development projects using the trade name. These promotional efforts seem sufficient to confer the requisite reputation and goodwill (see para 43).

(7) For misrepresentation, the parties here in fact carried on a different type of business. The first plaintiff had a short corporate history. As a result, the court was not satisfied that the plaintiffs had acquired such well-known reputation or goodwill which was connected with their property development business; hence making the trade name likely to be used by the defendants to misrepresent as the plaintiffs' name to derive a commercial benefit by riding on the trade name. Premised from the above, the court found that the plaintiffs had not established that there had been misrepresentation by the defendants. In the absence of proof of misrepresentation, there was therefore no damages suffered by the plaintiffs since there was no misappropriation of goodwill or reputation

by the defendants. Consequently, the court held that the plaintiffs had not proved the tort of passing off against the defendants (see paras 45–49).

(8) By the plaintiffs' failure to establish trademark infringement as well as tort of passing off, it was ipso facto evident that there was no unlawful interference with trade by the defendants. The defendants did not harbor any intention to interfere with the business of the plaintiffs. This was plainly seen for the testimony of DW1 and DW2. From the entirety of the evidence adduced, the court found and held that the adoption and hence usage of 'skyworld' by the parties for purposes of their respective corporate name as well as project name was in fact coincidental. In particular, the defendants did not purposely adopt the same to imitate or interfere with the plaintiff's business and what more; by way of unlawful means. In the premises, the plaintiffs had also not proved the tort of unlawful interference with trade against the defendants (see paras 51–53).

[Bahasa Malaysia summary

Ini adalah pelanggaran tanda dagangan, kelirupaan dan gangguan yang menyalahi undang-undang dengan tindakan dagangan oleh plaintif terhadap defendan. Dalam hal ini, ia adalah kes plaintif bahawa defendan-defendan telah menggunakan perkataan 'Skyworld' dan 'Sky World' dalam nama korporat mereka dan juga untuk projek Sky World City yang sedang dalam pembangunan. Oleh itu, plaintif mendakwa pelanggaran tanda dagangan menurut s 38 Akta Cap Dagangan 1976 ('ATD') berpremiskan fakta bahawa nama korporat defendan-defendan dan nama projeknya 'Sky World City' itu hampir menyerupai tanda dagangan berdaftar plaintif sehingga mungkin menipu atau menyebabkan kekeliruan kepada orang ramai. Plaintif selanjutnya mendakwa kelirupaan oleh defendan kerana plaintif telah menggunakan nama dagangan itu sejak 2014 dan telah memperoleh nama dan reputasi baik. Walau bagaimanapun, defendan telah menggunakan nama-nama yang melanggari nama mereka untuk memberi tanggapan salah projek Sky World City mereka sehingga menimbulkan kemungkinan kekeliruan kepada orang ramai kerana mereka juga terlibat dalam pembangunan hartanah yang sama seperti plaintif. Plaintif juga mendakwa terhadap defendan kerana gangguan yang menyalahi undang-undang dengan dagangan plaintif kerana tindakan mereka yang menyalahi undang-undang dengan niat untuk menjejaskan plaintif kerana defendan sudah mengetahui atau sepatutnya mengetahui nama dagangan dan tanda dagangan berdaftar plaintif itu. Dalam erti kata lain, plaintif menegaskan bahawa tanda-tanda yang dipersoalkan adalah nama korporat dan nama domain defendan. Pada dasarnya kes plaintif adalah bahawa nama-nama korporat dan nama domain laman web defendan telah melanggari undang-undang kerana begitu hampir menyerupai tanda dagangan berdaftar plaintif sehingga mungkin menipu atau

menyebabkan kekeliruan sepanjang tempoh defendan menjalankan perniagaan mereka untuk membangunkan projek Sky World City. Sebaliknya, ia adalah kes defendan bahawa ia adalah jelas dan nyata bahawa tanda dagangan 'S' defendan adalah berbeza daripada tanda dagangan dan nama dagang berdaftar plaintif. Dalam hal ini, defendan berhujah bahawa tiada salah tanggapan yang mengakibatkan kemungkinan kekeliruan. Nama korporat dan nama domain laman web defendan tidak menyebabkan kesilapan, penipuan atau kekeliruan jika dibandingkan secara holistik dengan tanda dagangan berdaftar plaintif yang merupakan tanda komposit yang terdiri daripada lebih daripada dua elemen yang berlainan, iaitu satu tanda lisan yang bergaya dan yang lain tanda gabungan masing-masing. Walau apa pun, defendan menegaskan bahawa ia adalah tanda dagangan plaintif dan bukan hanya nama dagangan yang digunakan dalam bahan promosi dan pemasaran mereka untuk projek-projek pembangunan. Defendan selanjutnya berhujah bahawa plaintif dan defendan beroperasi di pasaran sasaran yang berbeza dan pengguna yang berbeza yang melenyapkan kemungkinan kekeliruan atau penipuan. Menurut defendan, mereka beroperasi terutamanya dalam industri pelancongan di Sabah manakala plaintif adalah pemaju hartanah Lembah Klang bagi perumahan kediaman untuk dijual kepada orang ramai. Defendan juga berhujah bahawa defendan-defendan pertama hinggan keempat telah diperbadankan dan didaftarkan dengan Suruhanjaya Syarikat Malaysia ('SSM') tanpa sebarang bantahan. Nama-nama itu digunakan dengan suci hati kerana defendan tidak mengetahui syarikat-syarikat plaintif atau projek-projek pembangunan hartanah mereka. Oleh itu, plaintif tidak dapat menuntut monopoli atas nama perdagangan dan defendan. Defendan dalam keadaan tersebut menegaskan bahawa tindakan itu mestilah gagal; sama ada untuk pelanggaran tanda dagangan, kelirupaan atau gangguan yang menyalahi undang-undang dengan perdagangan.

Diputuskan, menolak tuntutan plaintif-plaintif dengan kos RM50,000 sebagai kos dipersetujui:

(1) Cap dagangan berdaftar plaintif telah didaftarkan atas nama plaintif pertama sahaja dan tiada keterangan dikemukakan bahawa terdapat pemilikan bersama atau serentak berhubung tanda tersebut dengan plaintif kedua. Oleh itu, plaintif kedua tidak mempunyai kedudukan untuk meneruskan kausa tindakan untuk pelanggaran tanda dagangan ini. Hanya plaintif pertama yang boleh berbuat demikian (lihat perenggan 29).

(2) Tanda dagangan berdaftar plaintif adalah tanda komposit dan mereka tidak didaftarkan sebagai tanda perkataan yang bertentangan dengan yang didakwa oleh SP2 (lihat peranggan 31–32).

(3) Tanda-tanda pelanggaran adalah berbeza secara visual kerana nama korporat defendan dalam dokumen perniagaan mereka serta nama

domain laman web mereka menggunakan perkataan 'skyworld' sama ada kesemuanya dalam huruf besar atau huruf kecil tetapi bukan campuran huruf besar dan huruf seperti dalam tanda dagang berdaftar plaintif. Tanda dagangan berdaftar plaintif tidak didaftarkan sebagai tanda perkataan yang mungkin memberikan monopoli kepada mereka pada perkataan 'skyworld' itu. Dalam kes ini, mahkamah tidak berpuas hati bahawa perkataan 'skyworld' secara fonetik *per se* adalah ciri penting atau menarik bagi plaintif; iaitu tanda tersebut (lihat perenggan 33 & 36).

(4) Ia juga perlu untuk mempertimbangkan aktiviti perniagaan pihak-pihak dalam menentukan sama ada pengguna yang biasa terkeliru dengan mengaitkan satu tanda tersebut dengan tanda yang lain. Plaintif pertama pada dasarnya terlibat dalam perniagaan pembangunan hartanah. Tanda dagangan berdaftar plaintif juga telah didaftarkan untuk Kelas 37 yang sepatutnya. Sebaliknya pihak defendan terlibat dalam perniagaan pelancongan dan memulakan projek Sky World City sulungnya di Karambunai, Sabah, Malaysia Timur. Projek Sky World City adalah projek taman tema pelancongan. Walau apa pun ada bangunan kediaman yang dirancangkan untuk dibina di projek Sky World City, ia mungkin hotel untuk menampung pelancong dan bukan bangunan untuk dijual kepada orang ramai. Justeru, defendan kelima memohon kepada MyIPO untuk pendaftaran tanda dagangan 'S' defendan dalam pelbagai kelas tetapi bukan untuk Kelas 37. Oleh itu dapat disimpulkan bahawa bakal pelanggan plaintif dan defendan di kalangan orang awam secara keseluruhan tidak mungkin tertipu atau terkeliru oleh sebab perbezaan yang jelas dalam perniagaan pihak masing-masing (lihat perenggan 37).

(5) Berdasarkan keadaan di atas, mahkamah mendapati bahawa nama korporat dan nama domain defendan yang digunakan berkaitan dengan projek Sky World City tidak mungkin menipu dan menyebabkan kekeliruan dalam urus niaga yang mana tanda dagangan berdaftar plaintif telah didaftarkan. Berikutan itu, plaintif terutamanya plaintif pertama yang merupakan satu-satunya plaintif yang mempunyai kedudukan undang-undang untuk mengekalkan kausa tindakan pelanggaran tanda dagangan tidak membuktikan bahawa defendan telah melanggar tanda dagangan berdaftar plaintif menurut s 38 ATD (lihat perenggan 38–39).

(6) Berdasarkan kedua-dua keterangan lisan dan dokumentar yang dikemukakan oleh pihak-pihak, mahkamah mendapati bahawa plaintif pertama telah menggunakan nama dagang dan tanda dagangan berdaftar plaintif dalam projek pembangunan mereka di Lembah Klang. Selanjutnya, mahkamah berpuas hati bahawa plaintif pertama meluangkan masa, usaha dan wang berjumlah beberapa juta Ringgit untuk mempromosikan projek pembangunannya menggunakan nama

dagangan tersebut. Usaha promosi tersebut kelihatan cukup untuk memberikan reputasi dan nama baik yang diperlukan (lihat perenggan 43).

(7) Untuk salah tanggapan, pihak-pihak tersebut sebenarnya menjalankan jenis perniagaan yang berbeza. Plaintif pertama mempunyai sejarah korporat yang pendek. Akibatnya, mahkamah tidak berpuas hati bahawa plaintif telah memperoleh reputasi terkenal atau nama baik yang berkaitan dengan perniagaan pembangunan hartanah mereka; justeru membuat nama dagangan yang mungkin digunakan oleh defendan untuk memberi tanggapan salah sebagai nama plaintif bagi mendapatkan faedah komersial dengan menggunakan nama dagangan tersebut. Berdasarkan di atas, mahkamah mendapati bahawa plaintif tidak menyatakan bahawa terdapat salah tanggapan oleh defendan. Ketidakhadiran bukti salah tanggapan, maka tiada kerugian yang dialami oleh plaintif kerana nama baik atau reputasi yang terjejas oleh defendan. Akibatnya, mahkamah memutuskan bahawa plaintif tidak membuktikan tort kelirupaan terhadap defendan (lihat perenggan 45–49).

(8) Dengan kegagalan plaintif untuk membuktikan pelanggaran tanda dagang dan juga tort kelirupaan, ia adalah jelas ipso facto bahawa tiada gangguan yang menyalahi undang-undang dengan urus niaga oleh defendan. Defendan tiada niat untuk mengganggu perniagaan plaintif. Ini jelas dilihat dalam keterangan DW1 dan DW2. Berdasarkan keseluruhan keterangan yang dikemukakan, mahkamah mendapati dan memutuskan bahawa penggunaan dan seterusnya penggunaan 'skyworld' oleh pihak-pihak bagi tujuan nama korporat masing-masing serta nama projek sebenarnya adalah secara kebetulan. Khususnya, defendan tidak sengaja mengguna pakai nama sama untuk meniru atau mengganggu perniagaan plaintif dan apatah lagi; dengan cara yang menyalahi undang-undang. Dalam premis itu, plaintif juga tidak membuktikan tort ganggungan yang menyalahi undang-undang dengan dagangan terhadap defendan (lihat perenggan 51–53).]

Notes

For cases on trademark and passing off, see 12(2) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 2842–2843.

Cases referred to

Application by Pianotist Company Ltd, Re (1906) 1a IPR 379, HC (refd)

Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd [2008] MLJU 1101; [2009] 8 CLJ 97, HC (refd)

Ayamas Convenience Stores Sdn Bhd v Ayamas Sdn Bhd [1994] MLJU 583; [1995] 1 CLJ 133, HC (refd)

BRG Brilliant Rubber Goods (M) Sdn Bhd v Santa Barbara Polo & Racquet Club

Management Inc (Pendaftar Cap Dagangan Malaysia, interested party) and another case [2017] 7 MLJ 244; [2015] 4 CLJ 1062, HC (refd)
Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd [1996] MLJU 575; [1996] 3 AMR 4015, HC (refd)
Consitex SA v TCL Marketing Sdn Bhd [2008] 3 MLJ 574; [2008] 8 CLJ 444, HC (refd)
Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd [2010] 8 MLJ 500, HC (refd)
Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and Kodak Cycle Co Ltd, Re Trade Mark No 207006 (1898) 15 RPC 105 (refd)
Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia [1998] 4 MLJ 105, HC (refd)
Lego Systems A/S v Lego M Lemelstrich [1983] FSR 155, Ch D (folld)
Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd [2009] 5 MLJ 703, HC (refd)
Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor [2018] 1 MLJ 175; [2018] 1 CLJ 287, FC (refd)
Ly Furniture Sdn Bhd & Anor v Lifestyle Enterprise, Inc & Anor and another appeal [2015] MLJU 2347, CA (refd)
McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation [2009] 3 MLJ 774, CA (refd)
Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525, HC (refd)
Mun Loong Co Sdn Bhd v Chai Tuck Kin [1982] 1 MLJ 356 (refd)
Portcullis Trustnet (Singapore) Pte Ltd v George Pathmanathan a/l Michael Gandhi Nathan & Ors [2017] MLJU 223, HC (refd)
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770, SC (refd)
Shaifubahrim bin Mohd v EM Exhibitions (M) Sdn Bhd & Anor [2012] 9 MLJ 84, HC (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358, CA (distd)
Siow Chiang & Co Pte Ltd v Tan Gin Lee [2005] MLJU 674; [2006] 8 CLJ 629, HC (refd)
Tint Shop (M) Sdn Bhd v Infinity Audio Marketing Sdn Bhd [2017] MLJU 597, HC (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1992] 2 MLJ 63, SC (refd)
Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd [1991] 2 MLJ 361; [1991] 3 CLJ 2001; [1991] 4 CLJ Rep 618, CA (refd)
Trinity Group Sdn Bhd v Trinity Corporation Berhad [2012] MLJU 1800; [2012] 1 LNS 929, HC (distd)
Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang)

v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585, CA (refd)
Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd [2012] 6 MLJ 609, FC (refd)

Legislation referred to

Evidence Act 1950 s 90B
Housing Development (Control and Licensing) Act 1966
Trade Marks Act 1976 s 38

Teo Bong Kwang (Ng Yueng May, Eugene Ee Fu Xiang, Wong Chee Wai and Lim Seah Le with him) (Chang Haryathy) for the plaintiffs.
Sri Sarguna Raj (S Santhi, Sheela Menon, Deva Premila, Nicole Alexandra Chong Zhi Wan and Tan Xin Ying with him) (S San & Co) for the defendants.

Lim Chong Fong J:

INTRODUCTION

[1] This is a trademark infringement, passing off and unlawful interference with trade action.

[2] The plaintiffs are related private limited companies and the second plaintiff is a wholly owned subsidiary of the first plaintiff which is involved in the business of property development.

[3] The first to fourth defendants are connected and affiliated private limited companies. The first defendant is involved in the business of real estate activities with owned or leased properties NEC and activities of holding companies. The second defendant is involved in the business of wholesale of a variety of goods without any particular specialisation NEC real estate activities with own or leased property NEC and activities of holding companies. The third defendant is in the business of retail sale of construction materials, hardware, paints and glass. The fourth defendant is in the business of activities in tourism development and management holding company(ies) and conduct or undertake business of management.

[4] The fifth and sixth defendants are individuals and the common shareholder and director of the fourth defendant. The fifth defendant is also the shareholder and director of the first to third defendants.

[5] The first plaintiff under its original name NTP World Development Sdn Bhd has on 29 and 30 October 2015 duly registered the following trademarks in Class 37 with the Malaysian Intellectual Property Office ('MyIPO'):

No	Mark	Registration No	Specification of Services
1	SkyWorld design the experience ('SkyWorlddesign the experience' mark)	2014008384	Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in Class 37.
2	SkyWorld design the experience ('SkyWorlddesign the experience with Chinese characters' mark)	2014010514	Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in Class 37.

(collectively 'the plaintiffs' registered trademarks').

[6] In addition, the first plaintiff has on 13 July 2017 applied to MyIPO to register the following trademark in Class 37:

SkyWorld
TRANSFORMING CITIES

[7] That notwithstanding, the fifth defendant has on 23 April 2018 also applied to MyIPO to register the following mark in Class 9,16, 28, 35, 36, 38, 41, 42, 43 and 44:

A

B

('the defendants' 'S' trademark').

[8] In this action, both the plaintiffs have claimed against all the defendants C for the following:

(1) a declaration that the first plaintiff is the rightful and common law owner of the following trademarks:

(i) the word mark 'SkyWorld',

D

(ii) the mark:

E

('SkyWorld design the experience' mark);

(iii) the mark:

F

('SkyWorld design the experience with Chinese characters' mark); and

G (iv) the mark:

H

('SkyWorld Transforming Cities' mark)
('SkyWorld trademarks');

(2) a declaration that the mark 'Skyworld' or 'Sky World' ('infringing marks') used by the defendants are identical with or so nearly resembling the SkyWorld trademarks as is likely to deceive or cause confusion to the trade and public;

I

(3) a permanent injunction to restrain the defendants, whether by themselves, their directors, officers, employees or agents or any of them or otherwise howsoever from doing the following acts or any of them, that is to say:

(i) infringing the following registered marks belonging to the first plaintiff ('SkyWorld registered trademarks'):

No	Mark	Registration No	Class
1	('SkyWorld design the experience' mark)	2014008384	37
2	('SkyWorld design the experience with Chinese characters' mark)	2014010514	37

by the use thereof in the course of trade any of the SkyWorld registered trademarks, the infringing marks, the defendants' company names (namely, Skyworld Holdings Sdn Bhd, Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd and Sky World City Bhd which contain the word 'Skyworld' or 'Sky World') ('infringing names'), the website and domain name www.skyworldcity.net (hereinafter referred to as 'infringing website and domain name') and/or any other mark, name and/or website or domain name that is colourably or confusingly similar to the SkyWorld registered trademarks or any of its distinctive features;

(ii) passing off or attempting to pass off or causing, enabling or assisting others to pass off business, products and/or services that are not of the plaintiffs as and for the business, products and/or services of the plaintiffs by the use in the course of trade of the SkyWorld trademarks, the infringing marks, the infringing names, the infringing website and domain name and/or any other mark, name, get-up, device, design or domain name that resembles or contains the SkyWorld trademarks or any colourable imitation thereof;

(iii) applying to register as trademark any of the SkyWorld trademarks,

A the infringing marks, the infringing names and/or any other word, mark, name, device or design that is deceptively, colourably or confusingly similar to the SkyWorld trademarks or SkyWorld registered trademarks in Malaysia or anywhere else in the world;

B (iv) printing or using in any manner whatsoever the SkyWorld trademarks, the infringing marks, the infringing names and/or any other word, mark, name, get-up, device or design that is deceptively, colourably or confusingly similar thereto, upon any signboard, signage, advertisement, business card, notice, fascia, C document, blogs, social media platforms, web page or otherwise as its trading style without the plaintiffs' authority and consent; and

(v) committing a repetition thereof, inducing or procuring acts unlawfully interfering with the plaintiffs' trade relating to the SkyWorld trademarks and SkyWorld registered trademarks D through the use in the course of trade of the infringing marks, the infringing names and/or the infringing website and domain name and/or any other word, mark, name, domain name, get-up, device or design that is deceptively, colourably or confusingly similar E thereto;

(4) an order that the defendants do within 14 days from the date of the order take all necessary steps as may be necessary to effect and/or facilitate the striking off of the defendants' company registrations or alternatively, to change the defendants' company names to names that do not contain the F words 'Skyworld', 'Sky World', 'SkyWorld' or any other word that is deceptively, colourably or confusingly similar thereto and the defendants shall provide the plaintiffs with written or documentary proof of the striking off of the company registrations or changes of company name;

G (5) in the event that an order is given for the striking off of the defendants' company registrations pursuant to prayer 4 above, a sealed copy of the order shall be served on the Registrar of Companies of the Companies Commission of Malaysia and that the Registrar of Companies shall within 14 days of the service of the order strike off the defendants' H company registrations from the Register of Companies;

(6) an order that the defendants do within 14 days from the date of the order take all such steps as may be necessary to effect and/or facilitate the cancellation of the registration for the infringing website and domain I name and/or any other domain name or names that contain the words 'Skyworld', 'Sky World', 'SkyWorld' or any other word that is deceptively, colourably or confusingly similar thereto and the defendants shall provide the plaintiffs with written or documentary proof of such cancellation;

(7) an order that the defendants, whether by themselves, their directors, officers, employees or agents or any of them or otherwise howsoever, do deliver up and surrender to the plaintiffs' solicitors, their employees or agents, or at the plaintiffs' option, destruction upon oath, all goods, articles, papers, signboards, stationery and materials in the possession, power, custody and/or control of the defendants, the use of which will offend against the foregoing injunctions or any of them ('unauthorised products and materials') within seven days from the date of service of the order;

(8) an order that the directors of the defendants within 14 days from the date of service of the order affirm and deliver to the plaintiffs or the plaintiffs' solicitors an affidavit to confirm that save for the products and materials delivered up and surrendered to the plaintiffs or the plaintiffs' solicitors, the defendants no longer have any unauthorised products and materials in their possession, power, custody and/or control;

(9) an order that the defendants do pay to the plaintiffs the costs of preparing and publishing within seven days from the date of service of the order, two separate apology notices that are of a dimension of no less than the full page of a newspaper, the contents and format of which are to be approved and determined solely by the plaintiffs, in three local newspapers in the English, Bahasa Malaysia and Chinese languages to, inter alia, notify the trade and public that the businesses, products or services offered or promoted by the defendants by reference to the infringing names, infringing marks and infringing website and domain name are not related to or provided by the plaintiffs or provided under the plaintiffs' licence and to express regret over its said use of the infringing names, infringing marks and infringing website and domain name;

(10) an inquiry as to damages (including for exemplary and aggravated damages) or at the plaintiffs' option an account of profits in respect of the defendants' acts of trademark infringement, passing off and unlawful interference with trade together with an order for payment of all sums found due upon taking such inquiry or account;

(11) interest on the amounts found due to the plaintiffs at a rate to be determined by this honourable court and from the date of the writ until realisation as this honourable court deems fit;

(12) costs; and

(13) such further or other relief as this honourable court sees fit.

A PRELIMINARY

[9] The trial of this action took two days on 10 and 11 October 2018. The trial documents are compiled in Bundles A–I that included the documentary evidence which by consent carried either status A or B as indicated in the respective bundles.

[10] The parties called the following witnesses respectively:

(a) Tong Yoke Leng ('PW1'), the corporate communication manager of the first plaintiff;

(b) Dato' Lam Soo Keong @ Low Soo Keong ('PW2'), the deputy managing director of the first plaintiff;

(c) Yong Fook Min ('DW1'), the fifth defendant himself; and

(d) Lee Chia Lin ('DW2'), the sixth defendant himself.

[11] After the close of trial, the parties submitted their closing written submissions in chief and submissions in reply. Oral clarification with counsel was held on 27 December 2018.

BACKGROUND COMMON FACTS

[12] The first plaintiff was initially incorporated in 2006 with the name NTP World Development Sdn Bhd. After having gone through several name changes, the first plaintiff's name is finally changed to SkyWorld Development Sdn Bhd since 5 December 2014 to synchronise with its strategically crafted trade name 'SkyWorld' or 'Sky World' ('trade name').

[13] The trade name and subsequently the plaintiffs' registered trademarks have been specifically chosen for use as house mark for all the real estate and property development projects launched and sold to the public commencing with the Ascenda Residence @ Sky Arena Setapak Project in 2014. The subsequent first plaintiff's projects are Bennington Residences @ Sky Arena Setapak, SkyAwani Residences, Skyluxe Residences, SkyAwani 2 Residences, SkyAwani 3 Residences, SkyMeridien Residences, SkyVogue, The Hub @ SkySanctuary and the Valley @ SkySierra.

[14] The fourth defendant has however in September 2017 embarked on its proposed Sky World City Sabah ('Sky World City') project in Karambunai, Sabah which is a mega tourism development comprising of diverse range of hospitality, accommodation, food and beverage and entertainment. This Sky World City project has been advertised in the fourth defendant's website domain name skyworldcity.net.

THE PLAINTIFFS' CONTENTIONS

[15] According to the plaintiffs, the defendants have been using 'Skyworld' and 'Sky World' in their corporate names as well as for the Sky World City project which is presently in the midst of development.

[16] Consequently, the plaintiff claimed for trademark infringement pursuant to s 38 of the Trade Marks Act 1976 ('the TMA') premised on the fact that the defendant's corporate name as well as project name of its 'Sky World City' project so nearly resemble the plaintiffs' registered trademarks as are likely to deceive or cause confusion to the public. It is plain that the defendants have been using the infringing names as trademarks to promote the Sky World City project which is encompassed within the scope of the plaintiffs' registered trademark namely for property development. In this respect, the plaintiffs relied on the Supreme Court case of *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63 and the case of *Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703.

[17] The plaintiffs' further claimed for passing off by the defendants in that the plaintiffs have been using the trade name since 2014 and have acquired substantial goodwill and reputation because of the plaintiffs' extensive and costly promotion of their business and property development projects through the usage of the trade name on their websites, social media platforms, promotional and marketing materials, billboards, buntings, and at the plaintiffs' property galleries as well as in calendars and corporate souvenirs distributed to public customers. However, the defendants have used infringing names to misrepresent their Sky World City project which would give rise to the likelihood of confusion to the public since they are also involved in the same business of property development as the plaintiffs. It is the plaintiffs' contention that the defendants used the infringing names to ride on the plaintiffs' substantial goodwill and reputation in the trade name. As the result the plaintiffs suffered damages. For passing off, the plaintiffs, amongst others, relied on the Court of Appeal cases of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358 and *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585.

[18] The plaintiffs also claimed against the defendants for unlawful interference with the plaintiffs' trade because of their unlawful acts with the intention to injure the plaintiffs because the defendants already knew or ought to have known of the trade name and plaintiffs' registered trademarks. As the result, the plaintiffs have suffered and continue to suffer in consequence of the defendants' unlawful acts. In this connection, the plaintiffs relied on the case of

Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525.

[19] In consequence, the plaintiffs prayed for an order that judgment be entered in the terms as sought.

THE DEFENDANTS' REPLY

[20] The defendants in rebuttal contended that as for the alleged trademark infringement as well as passing off, the plaintiff did not reproduce in their pleadings and purported infringing mark by the defendants save only for the word 'Skyworld' or 'Sky World' used by the defendants as part of their corporate name or domain names which are purportedly identical with or so nearly resembling the plaintiffs' registered trademarks and/or trade name. It is plain and obvious that the defendant's 'S' trademark is distinctly different from the plaintiffs' registered trademarks and trade name.

[21] In this respect, the defendants submitted that there is no misrepresentation resulting in likelihood of confusion following the principles in the case of *Consitex SA v TCL Marketing Sdn Bhd* [2008] 3 MLJ 574; [2008] 8 CLJ 444. The defendants additionally relied on the cases of *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 2 MLJ 361; [1991] 4 CLJ Rep 618 and *Siow Chiang & Co Pte Ltd v Tan Gin Lee* [2005] MLJU 674; [2006] 8 CLJ 629. The defendants' corporate name and website domain name would not cause mistake, deception or confusion when holistically compared with the plaintiffs' registered trademarks which are composite marks which consist of more than two different elements, to wit; one a stylish verbal mark and the other a combined mark respectively. In this regard, the defendants relied on the cases of *BRG Brilliant Rubber Goods (M) Sdn Bhd v Santa Barbara Polo & Racquet Club Management Inc (Pendaftar Cap Dagangan Malaysia, interested party) and another case* [2017] 7 MLJ 244; [2015] 4 CLJ 1062, *Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd* [2010] 8 MLJ 500, *Shaifubahrim bin Mohd v EM Exhibitions (M) Sdn Bhd & Anor* [2012] 9 MLJ 84 and *Tint Shop (M) Sdn Bhd v Infinity Audio Marketing Sdn Bhd* [2017] MLJU 597. That notwithstanding, the defendants emphasised that it is the plaintiffs' registered trademarks and not merely the trade name that were used in their promotional and marketing materials for the development projects such as the Ascenda Residences @ Sky Residences, Sky Aawani Residences, Bennington Residences @ Sky Arena, Skyluxe Residences, etc.

[22] The defendants further submitted that the plaintiffs and the defendants operated in different targeted markets and different consumers which negative

the likelihood of confusion or deception following the cases of *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* [1998] 4 MLJ 105 and *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* [2008] MLJU 1101; [2009] 8 CLJ 97. According to the defendants, they operated principally in the tourism industry in Sabah whereas the plaintiff is a Klang Valley property developer of residential housing for sale to the public.

[23] Be that as it may, the defendants also submitted out that the first to the fourth defendants were incorporated registered with the Companies Commission Malaysia ('CCM') without any objection. The names are used in good faith because the defendants had no knowledge of the plaintiffs' companies or of their property development projects. Accordingly the defendants are exonerated based on the case of *Mun Loong Co Sdn Bhd v Chai Tuck Kin* [1982] 1 MLJ 356. Besides, there are other incorporated companies with the name 'skyworld' registered with the CCM such as the following:

(a) Kedai Internet Skyworld Sdn Bhd;

(b) Skyworld Production (M) Sdn Bhd;

(c) Skyworld Travel Sdn Bhd;

(d) TopSkyworld Development Sdn Bhd;

(e) Skyworld Club Sdn Bhd;

(f) Skyworld Motor Sdn Bhd;

(g) SNC Skyworld Sdn Bhd;

(h) Strategic Skyworld Sdn Bhd;

(i) JW Skyworld Sdn Bhd; and

(j) Skyworld Trading & Engineering Sdn Bhd.

[24] Hence the plaintiffs cannot claim monopoly over the trade name and the defendants relied on the case of *Ayamas Convenience Stores Sdn Bhd v Ayamas Sdn Bhd* [1994] MLJU 583; [1995] 1 CLJ 133 as well as the Court of Appeal case of *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation* [2009] 3 MLJ 774. The defendants also pointed out PW1 has readily conceded that a corporate name is not automatically a company's trademark.

[25] Consequently, the defendants in the circumstances contended that the action must accordingly fail; be it for trademark infringement, passing off or unlawful interference with trade.

A FINDINGS OF THE COURT

[26] The primary issues for determination may be conveniently classified under trademark infringement, passing off and unlawful interference with trade and I will deal with each of them seriatim.

B

Trademark infringement

[27] Firstly as for trademark infringement, the current authoritative legal position is as set out by Suriyadi Halim Omar FCJ in the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2018] 1 CLJ 287 as follows:

C

> [27] *Generally, the burden of proof in a trademark infringement case lies with the plaintiff (in this case the appellant). He has to establish by a preponderance of evidence that he owns a valid registered trademark (there can be no infringement if the appellant owns an invalid trademark), and the defendant (in this appeal the respondents) has used the plaintiff's trademark in the course of trade without consent. That unlawful usage of the trademark owned by the plaintiff (appellant) has caused deception or confusion among the prospective customers* (*Boh Plantations Sdn Bhd v Gui Nee Chuan & Ors* [1975] 2 MLJ 213). In the latter case of *Boh Plantations* Gill CJ had occasion to state:
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> D
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> E
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> > In an action for infringement the plaintiff complains that the defendant has infringed his trademark by taking in its entirety, or by taking a substantial portion of it, or by colourably imitating it, and he relies on his statutory title to the exclusive use of the mark in question for goods of a specified kind.
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> F
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> ...
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> [36] Section 38 reads as follows:
>
> > 38 Infringement of a trade mark
> >
> > G
> >
> > (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either
> >
> > H
> >
> > (a) as being used as a trade mark;
> >
> > (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the
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> > I
> >
> > right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or
> >
> > (c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other

advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[37] Under s 38 of the TMA 1976 the appellant needs to establish the following ingredients, inter alia:

(a) the respondent used a mark identical with or so nearly resembling the trademark as is likely to deceive or cause confusion;

(b) the respondent is not the registered proprietor or the registered user of the trademark;

(c) the respondent was using the offending trademark in the course of trade;

(d) the respondent was using the offending trademark in relation to goods or services within the scope of the registration; and

(e) the respondent used the offending mark in such a manner as to render the use likely to be taken either as being used as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

(See *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188 and *Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703). (Emphasis added.)

[28] As I see it, the plaintiffs' case is essentially that the defendants' corporate names and website domain name are infringing in that they so nearly resemble the plaintiffs' registered trademarks as are likely to deceive or cause confusion in the course of the defendants' carrying out their business of developing the Sky World City project.

[29] I have nonetheless noticed that the plaintiffs' registered trademarks have been registered in the first plaintiff's name only and there is no evidence adduced before me that there is joint or concurrent ownership of the marks with the second plaintiff. Hence, it is my view that the second plaintiff does not have the standing to pursue the cause of action of trademark infringement herein. It is only the first plaintiff who can do so.

[30] That aside, the principles that govern the ascertainment of deception or confusion are succinctly encapsulated by Ramly Ali J (now FCJ) in the case of *Consitex SA v TCL Marketing Sdn Bhd* as follows:

[26] Parker J in the well known case of *Re Pianotist Co's Application* [1906] 23 RPC had laid down the test in determining whether a mark is 'likely to deceive or cause confusion' as follows:

You must take the two words. You must judge them, both by their look and by

A

> their sound. You must consider the goods to which they are to be applied ... In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of the trademarks is used in the normal way as a trademark for the goods of the respective owners of the mark.

B

[27] The trademarks in question must be compared with each other (see: *Trade Mark Law & Practice in Malaysia* by Teo Bong Kwang — at p 248).

[28] The test as laid down by Parker J in *Re Pianotist Co Application* has been adopted by our Supreme Court in *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ Rep 344 and *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia & Anor* [1998] 4 CLJ Supp 24.

C

[29] *Subsequent case law has developed further tests and principles which are widely accepted and applied and which may be summarised as follows:*

(a) *the idea conveyed by both trademarks must be compared;*

D

(b) *the marks as a whole must be compared;*

(c) *the first syllable of the trademarks is of importance;*

(d) *the ear as well as the eye must be considered;*

(e) *the imperfect recollection of customers/potential customers must be considered;*

E

(f) *the essential features of the trademarks must also be compared.*

(See *Kerly's Law of Trade Marks and Trade Names* at pp 609, 611, 612; *Trade Mark Law & Practice in Malaysia* by Teo Bong Kwang at p 244). (Emphasis added.)

F

Additionally, Zulkefli FCJ (later PCA) held as follows in the Federal Court case of *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609:

G

[26] As regards the test of confusion and deception it is now well settled. The decision of the House of Lords in the case of *Bali Trade Mark* [1969] RPC 472 in interpreting s 11 on the UK Trade Marks Act which is equivalent to our s 14(1)(a) of the Act is highly instructive. Lord Upjohn held in that case at p 496 on the test of likelihood of confusion and deception, as follows:

H

> What then, is the test? This must necessarily be a question of fact and degree in every case ... It is not necessary in order to find that a mark offends against section 11 to prove that there is an actual probability of deception leading to passing off or (I add) an infringement action ... It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source.

I

[27] *Confusion and deception as envisaged by s 14(1)(a) of the Act in our view is a question of fact and degree*. The likelihood of confusion and deception can never be ruled out in the present case simply because the goods sought to be registered by the appellant fall in Class 9 whilst the goods that have been sold and traded by the respondent fall in other classes such as Class 25. *Further, the more well known or unusual a trademark, the more likely is that consumers might be confused into believing*

that there is a trade connection between goods or services bearing the same or a similar mark. In the case of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1998] All ER (EC) 934; [1999] RPC 177 the court therein held that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the marks and vice versa. (Emphasis added.)

[31] From the MyIPO certificates of registration, it cannot be disputed that the plaintiffs' registered trademarks are composite marks. One of them is a stylish verbal mark visually comprising of the word SkyWorld (specifically with the letters 's' and 'w' spelt in uppercase letter) with a stroke underneath the word 'sky' together with the phrase 'design the experience'. The other one of them has the same characteristics but with additional four Chinese characters underneath the phrase 'design the experience'.

[32] I hence find and hold that they are not registered as word marks contrary to that as claimed by SP2.

[33] It is common ground that there is no dispute in respect of the plaintiffs' registered trademarks and the defendants' 'S' trademark. There is no resemblance between them whatsoever. The principal similarity is in the defendants' corporate name and domain name and the plaintiffs' registered trademarks arising from the word 'skyworld' audibly. In other words, the plaintiffs are contending that the offending or infringing marks are the defendants' corporate name and domain name. On close and careful scrutiny, I nonetheless see that they are visually different because the defendants' corporate name in their business documents as well as their web site domain name used the word 'skyworld' either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs' registered trademarks. I observed that the plaintiffs' registered trademarks are not registered as word marks which might have otherwise conferred monopoly on them on the word 'skyworld'. In fact, I am of the further view from the evidence adduced by the plaintiffs in their projects advertisement that the dominant mark in the trade names used by them is the only the word 'Sky' with a wavy underline beneath it as seen in all their project names SkyArena, SkyAwani, etc.

[34] The ascertainment as to whether there has been the likelihood of deception or confusion is fact sensitive depending on the all the circumstances of each case. There were numerous case authorities put forth before me by the parties in advancement of their respective positions. Ultimately on my reading of them, I discern that it centres on the degree of similarness as well as the associated business usage of the marks especially the consumer knowledge and association with them. It is an objective test based on the Singapore Court of Appeal case of *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 2 MLJ 361; [1991] 3 CLJ 2001 which has been followed by the

Court of Appeal here in *Yong Sze Fun & Anor (t/a Perindutrian Makanan & Minuman Layang-Layang v Syarikat Zamani Hj Tamin Sdn Bhd & Anor*. In the *Tong Guan* case, Yong Pung How CJ held as follows:

> The law is settled and there is a series of cases for the following propositions from the last century to the present. The test to be applied has been stated in *Newsweek Inc v British Broadcasting Corp* [1979] RPC 441 at p 447 which is whether ordinary sensible members of the public would be confused. It is not sufficient that the only confusion would be to a very small unobservant section of society or as Foster J put it presently, if the only person who would be misled would be a moron in a hurry. It is sufficient that a substantial proportion of persons who are probably purchasers of the goods of the kind in question would in fact be confused. *Whether or not there is misrepresentation is always a question of fact to be determined by the court in the light of evidence of surrounding circumstances. The impression is entirely a matter for the judgment of the court and not that of the witnesses. All that can be done is to ascertain in every case as it occurs whether there is such a resemblance as to deceive a purchaser using ordinary caution.* (Emphasis added.)

[35] As to similarity in the trademarks audibly and hence likely tendency to cause deception or confusion, the cogent case having such similar facts is the Brunei High Court case of *Ayamas Convenience Store Sdn Bhd v Ayamas Sdn Bhd*. Deny Roberts CJ held as follows in the *Ayamas* case:

> The prayer of the plaintiff is for an injunction to restrain the defendant from 'infringing the plaintiff's registered trade mark No 17265 Ayamas'.
>
> The plaintiff has registered in Brunei a trademark, which included a chicken, as well as the word 'AYAMAS'.
>
> There has, however, been no evidence that, at any time, there has been any use by the defendant of the registered trademark. Nor have I heard any evidence that such an infringement is likely, other than an assertion by Chan.
>
> *Apart from this assertion, the only complaint of the plaintiff is that the defendant has infringed the trademark by use of the words 'Ayamas Sendirian Berhad' as the title of a Brunei company and the use of this term in relation to Grandy's.*
>
> ...
>
> It is not sufficient only to show that a company has been registered with a name similar to a trademark (though this was not the same, as there has been no use of the chicken logo). It is necessary to show an actual or likely infringement. This the plaintiff has failed to do. (Emphasis added.)

[36] I am mindful the plaintiffs have implored me to place high if not conclusive weight on the word 'skyworld' which is identical audibly based on the test enunciated in *The Pianotist Company Ltd Application* which has been approved in the Supreme Court case of *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd*. It is gainful to reproduce what was exactly stated by Mohamed Yusoff FCJ in the *Tohtonku* case:

> The 'tests' which Wan Adnan J was referring to were contained in Parker J's

judgment in *The Pianotist Co Ltd* in the following terms:

> You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks are used in a normal way as a trademark of the goods of the respective owners of the marks.

In the instant case, the learned trial judge had found that 'there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that:

> there is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man.

It is plain that the *Tohtonku* case did not lay down the proposition that there is overriding conclusion of infringement if the words are identical. Be that as it may, it instead suggested that the marks must be compared as a whole, both audibly and visually. This was likewise done in the later celebrated trademark cases of *Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd* as well as *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* where the marks are audibly similar. In this case, I am not satisfied that the word 'skyworld' phonetically per se is the essential or striking feature of the plaintiffs' marks.

[37] Apart from the degree of resemblance of the marks, it is also necessary, if not also crucial, as seen from the aforementioned cases to consider the business activity of the parties in determining whether the average discerning consumer could be misled by associating one with the other. The plaintiffs here particularly the first plaintiff is basically involved in the business of real estate property development. From the documentary evidence produced by the plaintiffs, I find that they develop residential properties primarily in the Klang Valley, West Malaysia for sale to the public pursuant to the Housing Development (Control and Licensing) Act 1966. The plaintiffs' registered trademarks are also hence registered in Class 37 accordingly. The defendants on the other hand are involved in the business of tourism and is presently embarking on its maiden Sky World City project in Karambunai, Sabah, East Malaysia. Again from the documentary evidence of produced by the defendants, I find that the Sky World City project is a tourism theme park project. It has been described by the defendants as 'a universal theme park that features replicas of landmarks and iconic buildings from countries around the

globe. Visitors will be able to relive their travel experiences thorough each individual pavilions'. Notwithstanding that there are residential accommodation buildings planned to be built in the Sky World City project, I find that they are probably hotels to accommodate the tourists but not buildings for sale to the public. Hence, the fifth defendant applied to MyIPO for the registration of the defendants' 'S' trademark in various classes but not in Class 37. It can therefore be concluded that the prospective customers of the plaintiffs and defendants amongst the public at large are not likely to be deceived or confused by reason of the stark difference in the business of the respective parties. Simply put, the imperfect recollection of these customers is neither relevant nor cogent here as for as the trade name is concerned. Likewise, it was found that there was no confusion in the case of *Aspect Synergy Sdn Bhd v Banyan Tree holdings Ltd* because the characteristics of purchasers of residential units there were different. The cases of *Sinma Medical Poducts (M) Sdn Bhd v Yomeishu Seizo Co Ltd* and *Trinity Group Sdn Bhd v Trinity Corporation Berhad* [2012] MLJU 1800; [2012] 1 LNS 929 amongst several others relied by the plaintiffs are hence distinguishable on the facts particularly because the parties were competing in the same business and marketplace.

[38] In the circumstances, I am satisfied and accordingly find that the defendants' corporate name and domain name as used in connection with the Sky Wold City project are unlikely to deceive and cause confusion in the course of trade in which the plaintiffs' registered trademarks are registered. A similar result was achieved in the *Ayamas* case. I am nonetheless aware that the plaintiffs have adduced two emails from a Gopal and a John Smith in attempting to show that the public was actually confused. The email from Gopal reads as follows:

> I read your notice in the SUN daily paper today stating it is false news on the ownership in the land in Sabah for tourism project. Can you clarify if you are going to develop the land in Sabah for the tourism project, building all world attractions in miniature scale and you are also providing e-shares for the investors? Thank you.

and the email from John Smith reads as follows:

> What's your relationship with Skyworld Holding Sdn Bhd?

Both Gopal and John Smith were not called as witnesses at the trial and I may accordingly draw any reasonable inference from the circumstances relating to the document including the manner and purposes of its creation as well as accuracy pursuant to s 90B of the Evidence Act 1950. In this regard and as submitted by the defendants, I find the emails dubious. This is because the emails are perfunctory and without disclosure of their relationship with the plaintiffs. They appear to me to be merely two busy-bodies. Accordingly, I discarded both emails. In any event, if the plaintiffs had intended to show there was actual confusion, it would have in my view been more cogent for the plaintiffs to appoint an independent consultant to undertake a market survey

and analysis of the state of affairs relating to confusion based on an adequately acceptable sample size.

[39] Consequently, I find and hold that the plaintiffs particularly the first plaintiff who is the only plaintiff that has legal standing to sustain the cause of action of trademark infringement have not proved that the defendants' have infringed the plaintiffs' registered trademarks pursuant to s 38 of the Trade Marks Act.

PASSING OFF

[40] In respect of the tort of passing off, Gunn Chit Tuan CJ (Malaya) held as follows in the Supreme Court case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770:

> The principle of law regarding passing off has been plainly stated by Lord Parker in *Spalding v Gamage* 'and that is, that nobody has any right to represent his goods as the goods of somebody else'. It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business are the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in *Erven Warnink v Townend & Sons (Hull) Ltd* (at p 742):
>
> > *My Lords, AG Spalding & Bros v AW Gamage Ltd* 84 LJ Ch 449 *and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation; (2) made by a trader in the course of trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied by him; (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.*
>
> We would also refer to and quote the following test proposed by Lord Fraser in the same case (at p 755):
>
> It is essential for the plaintiff in a passing off action to show at least the following facts: (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value; (5) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.
>
> ...
>
> In an action for passing off, damage is also an essential element of the tort and it is

A necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name. (Emphasis added.)

B Subsequently in the Court of Appeal case of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors*, Nik Hashim JCA (later FCJ) summarised the principles relating to passing off as follows:

35 Thus in summary, the respondents had to establish three elements at trial in order to demonstrate that the appellant had passed off their medicinal wine as that manufactured and sold by the respondents:

C

(i) reputation

(ii) misrepresentation; and

D (iii) damage.

[41] In the leading textbook *Kerly's Law of Trade Marks and Trade Names* (14th Ed), it has been stated as follows at para 15-031:

E Nonetheless it remains the case that the cause of action in passing off is wider and more flexible, giving protection to all the means by which the claimant's trade or goods may be identified with him, and not just those which he has managed to get registered. It is also more onerous, in the sense that the claimant must prove his reputation and that the defendant's activities involve a false representation damaging the claimant's goodwill.

F

Thus in *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* [1996] MLJU 575; [1996] 3 AMR 4015, Kamanalathan Ratnam JC (later J) held as follows:

G An analysis of the authorities shows that a plaintiff would have goodwill which is entitled to protection in a passing off action if he can show that he has carried on business under a particular name and which is known to the public or a section of it.

H **[42]** It is therefore firstly necessary to determine whether the plaintiffs here have established sufficient reputation or goodwill that is known to the public. This is a matter of fact that has been to be substantiated by cogent evidence.

[43] From both the oral and documentary evidence adduced by the parties, I find that the first plaintiff has used the trade name and plaintiffs' registered trademarks in their development projects in the Klang Valley. I am further satisfied that the first plaintiff expended time, efforts and money amounting to several million Ringgit to promote its development projects through using the trade name through dedicated websites, social media platforms, newspapers,

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promotional leaflets and pamphlets, etc. The trade names was also displayed on signage and billboards at the plaintiffs' property galleries. These promotional efforts seem sufficient to confer the requisite reputation and goodwill based on the cases of *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* and *Portcullis Trustnet (Singapore) Pte Ltd v George Pathmanathan a/l Michael Gandhi Nathan & Ors* [2017] MLJU 223. In addition, I observed that this has also not been seriously challenged by the defendants save that it would only reside with the plaintiffs' registered trademarks but not the trade name.

[44] Secondly as to misrepresentation, Gopal Sri Ram JCA (later FCJ) held as follows in *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation*:

> [11] *I have read and re-read the speech of Lord Fraser and nowhere do I find in it any pronouncement dispensing with the proof of the element of misrepresentation. Indeed, it is manifestly clear from the passage above quoted that the misrepresentation by the defendant of his goods or business as that of the plaintiff's is an essential element of the tort. This is clear from the phrase 'falsely described'. It is elementary that to falsely describe is to misrepresent.* I am therefore inclined to agree with the submission of counsel for the plaintiff that the so-called extended tort is nothing more than the common law adapting the tort of passing off to new and different circumstances.
>
> [12] ... From the way in which the plaintiff ran its case in the court below and when responding to the appeal, the only point that survives is whether the use by the defendant of the word 'McCurry' amounts to a passing off by it of the plaintiff's trade name to which goodwill is attached. *Put differently, the question is: Did the defendant represent his business to be that of the plaintiff? Having scrutinised the evidence presented to the learned trial judge, I have come to the conclusion that the question must receive a negative response.* And I will explain why.
>
> [13] First, you have to look at the plaintiff's mark or get-up or logo — call it what you will — as a whole and not merely one element in it. The plaintiff's get-up consists of a distinctive golden arched 'M' with the word 'McDonalds' against a red background. The defendant's signboard carries the words 'Restoran McCurry' with the lettering in white and grey on a red background with a picture of a chicken giving a double thumbs up and with the wording 'Malaysian Chicken Curry'. *Thus, the defendant's presentation of its business is in a style and get up which is distinctively different from that of the plaintiff.* Second, as I have already said, the items of food available at the plaintiff's outlets all carry the prefix 'Mc'. However, as evident from the defendant's menu card none of the food items served carries the prefix Mc. This is an important consideration. *Third, it is beyond dispute that the type of food available at the plaintiff's outlets is very different from that served at the defendant's sole outlet.* The latter caters only typically Indian food whereas the former serves fast food. This is an important point in the defendant's favour. The learned trial judge in her judgment appears to have been influenced by the decision of the hearing officer in the United Kingdom Trade Mark Registry, in the In the Matter of an Application No 1412458 to register the Mark McIndians by Sabbir Mehta, Osman Mehta, Imtiaz Ahmed Mulla and Hanif Patel to register the mark McIndian. There, the hearing officer found for McDonalds on the ground that McIndian could be confusingly similar to the McDonald's family of marks all employing the prefix

> 'Mc'. However, what the learned trial judge in the present instance appears to have overlooked is the fact that McIndian not only sold Indian food, but also Southern fried chicken, cheeseburgers, French fries and shakes which are the very items that McDonalds also sell. This point is well brought out by the Singapore Court of Appeal in *McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR 177 *when distinguishing the McIndian case from Yuen Yu Kwan Frank v McDonald's Corporation* (2001) WL 1422899 where the court disregarded the objection of McDonald's and allowed the registration of the mark 'McChina'. *In my judgment, the learned judge's omission to distinguish the facts of the McIndian case from the present instance constitutes a serious misdirection which has resulted in a miscarriage of justice. The fourth, point I would make is this. There is evidence to show that the type of customers who patronise the defendant's outlet is very different from those who patronise the plaintiff's several outlets.* The former are in the main adults and senior citizens while the latter are mainly children. In my judgment the irresistible inference to be drawn from the totality of the evidence is that the defendant's signboard would not result in reasonable persons associating McCurry with the plaintiff's mark. The one is a typically indian restaurant selling indian and local dishes with just its one outlet while the other is a multinational vendor of fast food such as burgers, French fries and milkshakes. (Emphasis added.)

[45] The relevant facts relating to misrepresentation here are in my opinion generally not different from that of the likelihood of causing deception or confusion in respect of trademark infringement. I hence reiterate my findings in paras 35–38 above particularly that the parties here in fact carried on different types of business. In *Mun Loong Co Sdn Bhd v Chai Tuck Kin*, Mohamed Azmi J (later SCJ) held as follows:

> But where the defendant carries on different type of business from that of the plaintiff, I am of the view that it must be shown by the plaintiff that the defendant has done something to deceive. Unless he is guilty of some kind of fraud or deception, by representing his business as that of the plaintiff, or mislead the public into believing that it is that of the plaintiff, then depending on the particular facts of each case, a passing-off action will invariably fail.

[46] Moreover, I observed that the plaintiff's reputation must be well established too as set out in *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd*. Yong Pung How CJ held as follows in the *Tong Guan* case:

> The appellant must also show that the get-up is well known in connection with the business, ie the reputation of the get-up must be established. The appellant must prove that the mark, name or other indicia on which it relies is well known in connection with a business in which it has goodwill, or with goods, connected with the business, and is distinctive of those goods or that business.

The plaintiffs particularly the first plaintiff as property developers have only launched their maiden project in 2014. The rest of their projects were subsequently launched later. They therefore only have a short corporate history.

As the result, I am not satisfied that the plaintiffs have acquired such well known reputation or goodwill which is connected with their property development business; hence making the trade name likely to be used by the defendants to misrepresent as the plaintiffs' name to derive a commercial benefit by riding on the trade name as happened in the care of *Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and Kodak Cycle Co Ltd, Re Trade Mark No 207006* (1898) 15 RPC 105. The plaintiffs' trade name is by comparison presently not anywhere close to those of established Malaysian property development trade names such as Mah Sing, SP Setia, Sunway, etc.

[47] Premised on the above, I find that the plaintiffs have not established that there has been misrepresentation by the defendants.

[48] Thirdly and in the absence of proof of misrepresentation, there is no therefore no damages suffered by the plaintiffs since there is no misappropriation of goodwill or reputation by the defendants following *Lego Systems A/S v Lego M Lemelstrich* [1983] FSR 155.

[49] Consequently, I find and hold that the plaintiffs have not proved the tort of passing off against the defendants.

UNLAWFUL INTERFERENCE WITH TRADE

[50] As to the tort of unlawful interference with trade, the principles are succinctly set out by Low Hop Bing J (later JCA) in *Megnaway enterprise Sdn bhd v Soon Lian Hock (sole proprietor of the firm performance Audio & Car Accessories Enterprise)* as follows:

> [48] *The elements which constitute the tort of unlawful interference with trade or business are:*
>
> (1) *Interference with the plaintiff's trade or business;*
>
> (2) *Unlawful means;*
>
> (3) *Intention to injure the plaintiff; and*
>
> (4) *The plaintiff is injured thereby.*
>
> (See *Bullen & Leake & Jacob's Precedents of Pleadings* [1990] p 464).
>
> [49] Although unlawful interference with trade is a developing tort and of uncertain ambit, its existence is beyond doubt and certain of its features are clearly defined. In *H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Limited & Anor* [1995] 2 CLJ 581 at p 593, Zakaria Yatim (later FCJ), citing authorities, said:
>
> *... If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he*

> *is acting unlawfully, even though he does not procure or induce any actual breach of contract: Torquay Hotel Co Ltd v Cousins & Ors* [1969] 2 Ch 106 at p 139 per Lord Denning MR.
>
> [50] By selling, offering for sale and distributing an anti-theft system which is infringing the plaintiff's copyright, the defendant has interfered with the plaintiff's trade. (Emphasis added.)

Subsequently in the Court of Appeal case of *Ly Furniture Sdn Bhd & Anor v Lifestyle Enterprise, Inc & Anor and another appeal* [2015] MLJU 2347, Nallini Pathmanathan JCA (now FCJ) held as follows:

> [111] The significance of the presence of the element of unlawful means in establishing this tort was discussed comprehensively by Lord Nicholls of Birkenhead in *OBG Ltd v Allan* [2007] UKHL 21 where he held as follows:
>
> *Interference with the claimant's business by unlawful means I start with the tort comprising interference with a trade or business by unlawful means or, more shortly, the tort of unlawful interference. The gist of this tort is intentionally damaging another's business by unlawful means. Intention is an essential ingredient. The tort is not one of strict liability for harm inflicted on another's business, nor is it a tort based on negligence. The defendant must have intended to inflict the harm of which complaint is made.* That is the starting point. I shall have to return to this point later.
>
> But intent to harm is not enough. Intentional harm of another's business is not of itself tortious. Competition between businesses regularly involves such business taking steps to promote itself at the expense of the other. One retail business may reduce its prices to customers with a view to diverting trade to itself and away from a competitor shop. Far from prohibiting such conduct the common law seeks to encourage and protect it. The common law recognises the economic advantages of competition.
>
> Unlawful means
>
> This is not to say that in this field of economic rivalry anything goes. Business people are not free to promote their businesses at the expense of others by whatever means they may choose. There are limits. The common law has long recognized that some forms of conduct, intentionally damaging other traders, are not acceptable ...
>
> For these reasons I accept the approach of Lord Reid and Lord Devlin and prefer the wider interpretation of 'unlawful means'. *In this context the expression 'unlawful means' embraces all acts a defendant is not permitted to do, whether by the civil law or the criminal law.* (Emphasis added.)

[51] In light of the above principles and by the plaintiffs' failure here to establish trademark infringement as well as tort of passing off, it is *ipso facto* evident that there is no unlawful interference with trade by the defendants.

[52] That notwithstanding, I further find and hold that the defendants did not harbour any intention to interfere with the business of the plaintiffs. This is plainly seen for the testimony of DW1 and DW 2 (whom I find both to be truthful witnesses) particularly from the following excerpts of their cross-examination in the trial respectively:

> Q: Alright. Now have you heard of any project of Skyworld by the Plaintiff?
>
> ...
>
> A: No.
>
> ...
>
> Q: Mr Yong, I put it to you that based on the substantial advertisement which I referred to and there are some on English, ok, my question, you listen carefully, alright, that this kind of substantial promotion and advertisement you would have known about the Plaintiffs' Sky World brand, agree? You would have known.
>
> A: Disagree.

and

> Q: I think there's a mark which you superimpose there. The Fourth Defendant uses the mark. The Fourth Defendant have never used the Plaintiffs Registered marks or anything similar. But do you agree that by taking the word 'Sky World City', you have used the Plaintiffs' Registered Marks?
>
> A: Definitely no.
>
> Q: Why do you say no?
>
> A: Because like I said, when you see the logo you know it's our company and our company is totally different from Sky World Development, whereby they build their goodwill whatsoever in Klang Valley. We are those pioneer in Sabah. Those are totally different things. And then secondly, we're focused on tourism development, nit housing like you guys did.
>
> Q: But you need to build those buildings and you're stated as the sole developer of this project. Correct?
>
> A: Yes, we're going to build the tourism hotspot venue.

From the entirety of the evidence adduced before me, I find and hold that the adoption and hence usage of 'skyworld' by the parties for purposes of their respective corporate name as well as project name was in fact coincidental. In particular, I thus find that the defendants did not purposely adopt the same to imitate or interfere with the plaintiffs' business and what more; by way of unlawful means!

[53] In the premises, I find and hold that the plaintiffs' have also not proved

A the tort of unlawful interference with trade against the defendants.

CONCLUSION

[54] In a nutshell, I think this is a case where there should be concurrent use
B of trade name in the open Malaysian economy that thrives on free and fair trade.

[55] For the foregoing reasons, I therefore dismiss the plaintiffs' claims with costs of RM50,000 as agreed costs.

C

Plaintiff's claims dismissed with costs of RM50,000.

Reported by Wan Nur Addibah Adnan

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